

MARRIOTT RESORT HOTEL CONDOMINIUM - CAMELBACK INN
APPENDIX C BY-LAWS OF THE
AMENDED AND RESTATED BYLAWS OF
MARRIOTT RESORT HOTEL CONDOMINIUM - CAMELBACK INN-
CONDOMINIUM AS LAST AMENDED

October-29____, **2016**2025

These Amended and Restated Bylaws of the Marriott Resort Hotel Condominium - Camelback Inn ("Bylaws") amend, restate, and replace in their entirety the Bylaws of the Camelback Inn Condominium dated October 29, 2016, and all prior versions of said bylaws, and are adopted by the Association, Board of Directors of the Association, and the Council of Co-Owners.

I. ApplicationName of By-LawsAssociation

The name of the Association is Marriott Resort Hotel Condominium - Camelback Inn.

II. Application of Bylaws

All present and future Owners, Mortgagees, lessees and occupants of Units and their agents, servants, and guests, and any other persons who may use the facilities of the Property in any manner are subject to the Declaration, these By-LawsBylaws and Rules and Regulations made pursuant hereto, and any amendment to these By-LawsBylaws upon the same being passed and duly recorded.

The acceptance of a deed or conveyance ~~or of~~, the entering into of a lease, or the act of occupancy of a Unit shall constitute an agreement that these By-LawsBylaws and any Rules and Regulations made pursuant hereto and the Declaration, as they may be amended from time to time, are accepted, and ratified, and will be complied with.

III. II.-Board of Directors

The affairs of the Council of Co-OwnersAssociation shall be conducted by a ~~board of five (5) directors~~Board of seven Directors; provided, however, ~~commencing with the 2003 annual meeting of the Council of Co-Owners the board shall be increased to seven (7) directors.~~that the exact number of Directors may be increased or decreased from time to time by amendment to these Bylaws, but no decrease shall have the effect of shortening the term of any incumbent Director.

A. Election

At each ~~annual meeting, subject to the provisions of Section K of Article II~~Annual Meeting of the Association, the Owners shall elect ~~directors~~Directors for the forthcoming year; ~~provided, however, the first Board of Directors elected hereunder may be elected at a special meeting duly called, said Board of Directors to serve until the first annual meeting held thereafter.~~ At least ~~30~~180 days prior to any ~~annual meeting~~Annual Meeting, the Board of Directors shall select from the Owners a Nominating Committee of not less than three ~~members~~nor more than five Owners, and such Nominating Committee shall recommend to the ~~annual meeting~~Owners at the Annual Meeting, one nominee for each position on the Board of Directors to be filled at that particular ~~annual meeting~~Annual Meeting. ~~To facilitate the~~

preparation and distribution of ballots to Owners in advance of the Annual Meeting, the Nominating Committee shall provide written notice of its nominees to the Board of Directors no later than 90 days prior to the Annual Meeting. No Owner serving on the Board of Directors shall be eligible to serve on the ~~said~~ Nominating Committee. Nominations for the Board of Directors may also be made by petition ("Petition") filed with the Secretary at least ~~seven~~60 days prior to the ~~annual meeting, which petition~~ Annual Meeting. The Petition shall be signed by ~~ten~~10 or more Owners and include a letter ("Letter") signed by the nominee(s) named therein indicating ~~his (their)~~each nominee's willingness to serve as a member of the Board of Directors if elected. The Petition may be signed and submitted in counterparts, all of

the counterparts forming but one Petition, ~~and in addition to the U.S. Mail and hand delivery, the~~ The Petition and the Letter ~~may~~shall be submitted to the Secretary via U.S. Mail, hand delivery, facsimile, email ~~and, or~~ other similar electronic means. The name of any nominee for the Board of Directors who is timely and validly nominated pursuant to this Article III, Section A, shall be included on the ballot, which shall be distributed to the Owners at least 45 days prior to the Annual Meeting. The name of any nominee for the Board of Directors who is not nominated by the Nominating Committee or by a timely and valid Petition filed with the Secretary shall not appear on the ballot, but votes may be cast on behalf of a nominee whose name does not appear on the ballot by listing the name of such nominee in the "write-in" field, which shall appear on all Director election ballots. Members of the Board of Directors shall be Owners; provided however, that (i) for any Owner that is a trust, only an individual trustee of said trust shall be eligible to serve on the Board of Directors; (ii) for any Owner that is a corporation, only a director, officer, or individual shareholder designated by the corporation shall be eligible to serve on the Board of Directors; (iii) for any Owner that is a limited liability company, only an individual manager or member designated by the limited liability company shall be eligible to serve on the Board of Directors; and (iv) for any Owner that is a general, limited, or limited liability partnership, only a general partner designated by the partnership shall be eligible to serve on the Board of Directors. Any Owner described in subclauses (i) through (iv) of the preceding sentence who is permitted to serve on the Board of Directors shall provide the Board with relevant governing documents evidencing that the designee of such Owner meets the requirements to represent the entity and serve on the Board of Directors as provided for in this Article III, Section A.

B. Term

B. Term

~~After the election of two new Members of the Board of Directors at the 2002 annual meeting of the Council of Co-Owners the term of office of the then present five (5) directors shall be extended by one (1) year; provided, however, any director who is then serving in his second term in office shall have his term of office extended by two (2) years. Thereafter, all Board members elected each year~~Each Director shall serve for a ~~four (4) year~~ term of four years beginning on the date of the Annual Meeting at which the Director is elected. However, no ~~Board member~~Director may serve for more than two ~~(2)~~ consecutive terms of office. ~~The Members of the Board of Directors who are elected;~~ provided, however, that (i) any partial term of less than two years served by an interim Director appointed under Article III, Section C, shall not be counted towards the consecutive term limit provided in this Article II, Section B; and (ii) any partial term of two or more years served by an interim Director appointed under Article III, Section C, shall be counted towards the consecutive term limit established in this Article III, Section B. Each Director shall serve until ~~their respective successors are~~the Director's successor is elected, or until ~~their~~ death, resignation or removal, as provided herein, or in accordance with applicable law.

C. Resignation and Removal

Any ~~member of the Board of Directors~~Director may resign at any time by giving written notice to the President, ~~Board Members and~~the Manager, and ~~any member~~the other Directors then serving, and any Director may be removed from membership on the Board of Directors ~~by an affirmative vote of Owners having 2/3 of the total voting power as determined under Appendix B~~at a special meeting of the Association called by the Board of Directors for such purpose upon the Board's receipt of a petition that calls for the removal of a Director signed by the lesser of: (i) at least 25% of Owners eligible to vote at the time the petition is signed, or (ii) Owner's holding at least one hundred votes in the Association (a "Removal Petition").

The following shall govern any meeting to address removal of a Director:

1. The Board shall call, notice, and hold a special meeting within 30 days after the Board's receipt of the Removal Petition.
2. The Owners eligible to vote at the time of the special meeting may remove any Director by a majority vote of those voting on the matter at a special meeting of the Owners.
3. Action at the meeting may be taken only if a quorum of Owners is present.
4. Owners may remove a Director with or without cause.
5. For purposes of a special meeting called for removal of a Director, a quorum is present if the number of Owners eligible to vote in the Association equal to at least twenty percent of the votes of the Association are present at the meeting in person or otherwise as allowed by law.

~~of the Declaration~~If the Board fails to call, notice, and hold a special meeting for the removal of a Director within thirty days after receipt of a valid Removal Petition from the Owners, the directors are deemed removed from office effective at midnight of the 31st day after the Board's receipt of the Removal Petition. Whenever there shall occur a vacancy on the Board of Directors due to death, resignation, removal or any other cause, the remaining Directors shall elect a successor Director to serve until the next ~~annual meeting~~Annual Meeting of the ~~Council of Co-Owners~~Association, at which time ~~said~~the vacancy shall be filled for the remainder of the unexpired term.

The Board shall retain all documents and records relating to the proposed removal of a Director and any election or other action taken for replacement of the Director and shall allow the Owners to inspect the documents and records.

D. Compensation

The Board of Directors shall receive no compensation for their services unless expressly provided for by the Board with the approval of the Owners having ~~2/3~~two-thirds of the total voting power as determined under Appendix B of the Declaration.

E. Powers and Authority of the Board of Directors

The Board of Directors, for the benefit of the Camelback Inn Condominium and the Owners, shall enforce the provisions of the Declaration, ~~By-Laws~~Bylaws and Rules and Regulations governing the Property and, subject to the provisions of Article ~~V~~VI hereof, shall

acquire or arrange for and pay for out of the Common Expense Fund the following:

1. (a) Water, sewer, garbage collection, electrical, telephone and gas and other necessary utility service for the General Common Elements (and to the extent not separately metered or charged, for the Units and Limited Common Elements);

(b) ~~2.~~ A policy or policies of fire insurance, with extended coverage endorsements, for the full insurable replacement value of the Units and Common Elements, or such other fire and casualty insurance as the Board of Directors shall determine gives substantially equal or greater protection to the Owners and their Mortgagees. The limits and coverage of such policies shall be reviewed at least annually by the Board of Directors and increased in its discretion. Insurance proceeds shall be payable and applicable as provided in Sections 6 and ~~19~~18 of the Declaration;

(c) ~~3.~~ A policy or policies of public liability insurance insuring the Board of Directors, the Owners and the Manager against any liability to any person or persons, incident to the ownership and/or use of the Property. Such policy or policies shall be consistent with the provisions of Section ~~19~~18 of the Declaration. Limits of liability under such insurance shall not be less than \$1,000,000.00 for any one or more persons injured

in any one accident, ~~and shall not be less than \$100,000.00 for property damage for each occurrence (such limits and coverage to be reviewed at least annually by the Board of Directors and increased at its discretion). Said policy or policies shall be issued on a comprehensive liability basis and shall provide cross liability endorsement wherein the rights of any named insured under the policy or policies shall not be prejudiced as respects~~ ~~his, her or their~~ the named insured(s) action against another named insured;

(d) ~~4.~~ Workmen's Compensation Insurance to the extent necessary to comply with any applicable laws;

(e) Any other insurance policies that the Board of Directors deems advisable given the then current needs of the Association, including, without limitation, data security insurance, cyber insurance, and errors and omissions insurance;

(f) ~~5.~~ The services of a Manager to manage ~~its~~ the Association's affairs as provided in Article ~~VIII~~ VIII hereof, to the extent deemed advisable by the Board of Directors, as well as such other personnel as the Board of Directors shall determine shall be necessary or proper for the operation of the Common Elements, whether such personnel are employed directly by the Board of Directors or are furnished by the Manager;

(g) ~~6.~~ Legal and accounting services necessary or proper in the operation of the Common Elements or the enforcement of the Declaration;

(h) ~~7.~~ A fidelity bond naming the Manager and such other persons as may be designated by the Board of Directors as principals and the Owners as obligees in an amount to be determined by the Board of Directors; provided that so long as the Property is operated as a resort hotel, such fidelity bond shall be in the amount customarily carried by the management of said hotel;

(i) ~~8.~~ Painting, maintenance, repair and all landscaping of the Common Elements, and such furnishings and equipment for the Common Elements as the Board of Directors shall determine are necessary and proper, and the Board of Directors shall

have the exclusive right and duty to acquire the same for the Common Elements; provided, however, that the interior surfaces of each Unit shall be painted, maintained and repaired by the Owner thereof, all such maintenance to be at the sole cost and expense of that particular Owner;

(j) ~~9.~~ Any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Board of Directors is required to secure or pay for pursuant to the terms of the Declaration or ~~By-Laws~~ Bylaws or which in its opinion shall be necessary or proper for the operation of the Common Elements or for the enforcement of the Declaration, provided that if any such materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments are provided for particular Units, the cost thereof shall be specially assessed to the Owners of such Units; and

(k) ~~10.~~ Maintenance and repair of any Unit, if such maintenance or repair is reasonably necessary in the discretion of the Board of Directors to protect the Common Elements or preserve the appearance and/or value of the Property, and the Owner of said Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity therefor delivered by the Board of Directors to said Owner, provided that the Board of Directors shall levy a special assessment against the Condominium of such Owner for the cost of said maintenance or repair;

2. The Board may maintain and update written standards of conduct (the "Code of Conduct") governing the performance by the Board of Directors of their duties to the Association pursuant to the Declaration, these Bylaws and the Condominium Act.

3. To facilitate the efficient sale and transfer of Units, the Board may appoint one or more Sales Agents and Transfer Agents to perform such duties as designated under Section 20 of the Declaration.

4. ~~11.~~ The Board of Directors shall have the exclusive right to contract for all goods, services and insurance, payment for which is to be made from the Common Expense Fund. This provision shall not be construed to prohibit the Board of Directors from delegating such authority to the Manager as it deems proper.

F. Additional Powers of the Board of Directors

The Board of Directors shall have the right to acquire, operate, lease, manage and otherwise trade and deal with property, whether real and/or personal, tangible or intangible, including Condominiums without limitation condominium Units as may be necessary or convenient in the operation and management of the Property, and in accomplishing the purposes set forth in the Declaration.

G. Meetings of the Board of Directors - Quorum

A majority quorum is deemed present throughout any meeting of the Board of Directors ~~serving shall constitute a quorum and, if a quorum is present,~~ if Directors entitled to cast at least 50% of votes of the Board are present at the beginning of the meeting and the decision of a majority of those present shall be the act of the Board of Directors. The Board of Directors shall annually elect all of the officers of the Council of Co-Owners Association as set forth in Article ~~IV~~ VIII of these ~~By-Laws~~ Bylaws. The officers shall be elected at a meeting of the Board of

Directors to be called immediately following the ~~annual meeting~~ Annual Meeting of the ~~Council of Co-Owners~~ Association.

H. Special Meetings

Special meetings of the Board of Directors may be called by or with the request of the President or by any two Board members. ~~Such meetings may be held either within or without the State of Arizona.~~

I. Notice of Meetings

Notice to Owners of Board of Directors meetings and meeting agendas shall be given to Owners at least forty-eight hours in advance of the meeting by newsletter, conspicuous posting, or any other reasonable means as determined by the Board. The Secretary shall sign an affidavit of notice, which shall be prima facie evidence that notice was given as required. No notice to Owners of Board meetings is required if emergency circumstances require action by the Board before notice can be given. The failure of an Owner to receive actual notice of a meeting does not invalidate any action taken at that meeting. The agenda for each Board meeting shall be available in advance of each meeting to Owners attending.

~~Regular~~ Special meetings of the Board of Directors ~~may be held without notice. The person or persons calling a special meeting of Directors, shall at least ten days before the meeting, give notice thereof~~ shall require notice to the Directors and the Owners by any usual means of communication, which may include email or website posting at least 48 hours before the meeting (although the Board will endeavor to give 10 days' notice of special meetings when practicable). Such notice need not specify the purpose for which the meeting is called; if an agenda is prepared for such a meeting, the meeting need not be restricted to discussions of those items listed on the agenda. Notwithstanding the foregoing, notice to Owners of meetings of the Board of Directors is not required if emergency circumstances require action by the Board before notice can be given to Owners, but the Board may act only on emergency matters and the meeting minutes shall state the reason for the emergency meeting.

J. Indemnification of Directors

1. To the fullest extent permitted by law, the Association shall indemnify any Director who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that such Director is or was a Director or is or was serving at the request of the Association as an officer or director or agent of the Association against liability incurred in connection with such action, suit or proceeding, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by such Director in connection with such action, suit or proceeding, including any appeal thereof, if such Director acted in good faith and in a manner such Director reasonably believed to be in or not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe such director's conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not alone create a presumption that the Director did not act in good faith and in a manner which such Director reasonably believed to be in or not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe that such Director's conduct was unlawful.

2. To the fullest extent permitted by law, the Association shall indemnify any Director who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by or in the right of the Association to procure a judgment in its favor by reason of the fact that such Director is or was a Director of the Association or is or was serving at the request of the Association as a Director against expenses, including attorneys' fees and amounts paid in settlement actually and reasonably incurred by such Director in connection with the defense or settlement of the action or suit if such Director acted in good faith and in a manner such Director reasonably believed to be in or not opposed to the best interests of the Association except that no indemnification shall be made in respect of any claim, issue or matter as to which such Director shall have been adjudged to be liable for negligence or misconduct in the performance of such Director's duty to the Association unless and only to the extent that the court in which the action or suit was brought determines upon application that, despite the adjudication of liability and in view of all the circumstances of the case, such Director is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

3. Any indemnification provided in this Article unless ordered by a court, shall be made by the Association only upon a determination that indemnification of the Director is proper in the circumstances because such Director has met the applicable standard of conduct set forth herein. The determination shall be made by the Vote of the Directors who were not parties to the action, suit, or proceeding.

IV. Open Meetings

A. Open Board Meetings

All meetings of the Board of Directors, or any committees of the Board of Directors are open to all Owners or any person designated by an Owner in writing as the Owner's representative and all Owners or their designated representative shall be allowed to attend and speak during the meeting. Meetings may be held electronically or by telephone, and speakers shall be used to allow Directors and Owners and their designated representatives to hear all parties who are speaking during the meeting. Meetings of the Board of Directors may be closed as provided in this Article IV.

B. Closed Meetings

All or any portion of a meeting of the Board of Directors may be closed if the meeting or portion of the meeting is limited to: consideration of legal advice from an attorney or pending or contemplated litigation; personal, health, or financial information about an individual Owner, employee of the Association, or employee of a contractor for the Association; personnel matters and records; discussion of an Owner's appeal of a violation citation, or penalty imposed by the Association (unless the Owner requests that the meeting be held in an open session), and either the Board of Directors announces at the meeting or in a written notice of the meeting that the meeting will be closed and specifies the reason for closure.

C. ~~J.~~ Waiver of Notice

Any member of the Board of Directors may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at a meeting shall constitute a waiver of notice of such meeting except where a Director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the members of the Board of Directors are present at any meeting of the Board, no notice shall be required to the

Directors and any business may be transacted at such meeting; provided, however, that the notice shall still be given to the Owners in conformance with the requirements of Article III, Section I above.

~~K. MCDC Performs Functions~~

~~Until a date five years from the recording of the Declaration or until all Condominiums have been sold, whichever occurs first, the rights, duties and functions of the Board of Directors shall at MCDC's option be exercised by MCDC. MCDC shall have the option at any time after the date of the recording of the Declaration to turn over to the Council of Co-Owners the responsibility of electing all of the members of the Board of Directors.~~

D. ~~L.~~ Notice of Election

~~After the first election of the Board of Directors, MCDC shall execute, acknowledge and record an affidavit stating the names of all of the members of the Board of Directors. Thereafter, any~~Any ~~two persons who are designated of record as being members~~Directors ~~of the most recent Board of Directors (regardless of whether or not they shall still be members~~Directors~~) may execute, acknowledge and record an affidavit stating the names of all of the members~~Directors ~~of the then current Board of Directors; provided, that, in the event of the disability or other incapacity of two such persons, Manager shall be empowered to execute the aforesaid affidavit. The most recently recorded of such affidavits shall be prima facie evidence that the persons named therein are all of the incumbent members~~Directors ~~of the Board of Directors and shall be conclusive evidence thereof in favor of all persons who rely thereon in good faith.~~

E. ~~M.~~ Fiscal Year

The fiscal year shall be as determined by the Board of Directors.

~~III. Meeting of the Council of Co-Owners~~

~~The presence in person or by proxy at any meeting of the Council of Co-Owners of Owners holding ten percent (10%) of the total voting power (as determined under Appendix B of the Declaration), in response to notice to all Owners of record properly given in accordance with Section 10 of the Declaration, shall constitute a quorum. In the event that the total number of Owners present do not hold at least ten percent (10%) of the total voting power, the meeting shall be adjourned for 24 hours, at which time it shall reconvene and any number of Owners present at such subsequent meeting shall constitute a quorum. Unless otherwise expressly provided in the Declaration, any action may be taken at any meeting of the Council of Co-Owners upon the affirmative vote of a majority of the voting power of the Owners present and voting provided that a quorum is present as provided for above.~~

~~A. Annual Meeting~~

~~There shall be a meeting of the Council of Co-Owners on the third Saturday of October of each year at 9:00 a.m. at Camelback Inn or at such other reasonable place or time (not more than 60 days before or after such date) as may be designated by~~

~~written notice of the Board of Directors delivered to the Owners not less than 15 days prior to the date fixed for said meeting. At or prior to such meeting, the Board of Directors shall furnish to the Owners a budget for the current fiscal year that shall itemize the estimated Common Expenses, itemizing receipts and disbursements, for the preceding fiscal year, together with the allocation thereof to each Owner.~~

~~B. Special Meeting~~

~~Special meetings of the Council of Co-Owners may be called at any time for the purpose of considering matters which, by the terms of the Declaration, require the approval of all or some of the Owners, or for any other reasonable purpose. Said meetings shall be called by written notice, authorized by a majority of the Board of Directors, or by the~~

~~Owners holding 1/3 of the total voting power (as determined under Appendix B of the Declaration), such notice to be given by any usual means of communication to the Owners not less than 15 days prior to the date fixed for said meeting. Said notices shall specify the date, time and place for the meeting, and the matters to be considered thereat.~~

~~IV. Officers of Council~~

~~The officers of the Council of Co-Owners shall be a President, Vice President, Secretary, and Treasurer. The offices of Secretary and Treasurer may, by direction of the Board of Directors, be combined as one office. All officers must be a member of the Board of Directors. No officer shall receive compensation for serving as such.~~

~~Officers shall be annually elected by, and may be removed and replaced by, the Board of Directors. The Board of Directors may in its discretion require that officers be subject to fidelity bond coverage.~~

V. Maintenance, Repair and Replacement of Common Elements

It shall be the responsibility of the Board of Directors to determine questions relating to the maintenance, repair and replacement (by the same or equivalent kind, quality or class) of all Common Elements. Maintenance, repair and replacement shall not be deemed to include the alteration (substantial change in form), capital improvement (substantial betterment), or relocation (change of place) of, nor capital addition (increase in quantity or add on) to, Common Elements. Except for (i) the maintenance, repair and replacement contemplated by the preceding sentences, (ii) reconstruction for casualty damages as set forth by Section 6 of the Declaration and (iii) the new construction as set forth by Section ~~26~~25 of the Declaration, there shall be no capital expenditures (fixed asset expenditures benefitting future as well as current accounting periods) for the Common Elements ~~aggregating (totaling)~~ in excess of ~~\$50,000.00~~50,000 in any fiscal year without first submitting the matter for consideration and approval at an annual or special meeting of the ~~Council of Co-Owners~~Association. Notwithstanding the foregoing, the Board of Directors shall have the power to determine questions relating to capital expenditures for Common Elements without submitting the matter for approval of the Owners if, in the Board of Directors' reasonable judgment, such action must be taken without delay ~~in order~~ to prevent or minimize loss from further damage or deterioration of the Common Elements and/or from the interruption of the proper and efficient operation of the Camelback Inn as a going business.

VI. Common Expenses

A. Assessments

1. Within 30 days prior to the ~~annual meeting~~Annual Meeting, the Board of Directors shall estimate the net charges to be paid during the current fiscal year (including a reasonable provision for contingencies and replacements and less any expected income and any surplus from the prior fiscal year's operation). ~~Said~~The "Estimated Cash Requirement" shall be approved at the ~~annual meeting~~Annual Meeting and assessed monthly to the Owners pursuant to Section 3(f) of the Declaration ~~and Appendix B thereof. MCDC will be liable for the amount of any assessment against completed Units owned by MCDC. If said~~. If the estimated sum proves inadequate for any reason, including nonpayment of any Owner's assessment, the Board of Directors may at any time levy a further assessment, which shall be assessed to the Owners in ~~like~~ proportion to the Common Element Percentage Index, unless otherwise provided herein. Each ~~owner~~Owner shall be obligated to pay assessments made pursuant to this paragraph to

the Board of Directors on or before the first day of each month, or in such other reasonable manner as the Board of Directors shall designate.

2. The monthly payments made by Owners shall be kept in a separate account known as the Common Expense Fund, which may also include such amounts as the Board of Directors may deem proper for general working capital, for the general operating reserve, for a reserve fund for replacements and major maintenance and to make up for any deficit in the Common Expenses for any prior fiscal year.

~~3. The rights, duties and functions of the Board of Directors set forth in this Article shall be exercised by MCDC for the period ending 30 days after the election of the first Board of Directors hereunder.~~

~~3.~~ ~~4.~~ All funds collected hereunder shall be expended for the purposes designated in the Declaration or ~~By-Laws~~Bylaws.

~~4.~~ ~~5.~~ The omission by the Board of Directors before the expiration of any fiscal year to ~~fix~~ the Estimated Cash Requirement hereunder for that or the next year shall not be deemed a waiver or modification in any respect of the provisions of the Declaration or a release of the Owner from the obligation to pay the assessments or any installment thereof for that or any subsequent year, but the Estimated Cash Requirement fixed for the preceding year shall continue until a new requirement is fixed. Amendments to this Article ~~V~~VIII shall be effective only upon unanimous written consent of the Owners and their Mortgagees. No Owner may exempt himself from liability for his contribution towards the Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit.

~~5.~~ ~~6.~~ The Manager or Board of Directors shall keep detailed, accurate records of the receipts and expenditures affecting the Common Elements specifying and itemizing the maintenance and repair expenses of the Common Elements and any other expenses incurred. Records and vouchers authorizing the payments involved shall be available for examination by any Owner at convenient hours ~~of week day~~on weekdays.

~~6.~~ ~~7. During the development of the Camelback Inn Condominium, the~~The Common Expense assessment attributable to any Units scheduled for demolition shall abate as of the date said Units are taken out of service by MCDC. ~~During any period in which due to such demolition there are less than 283 Units in existence, MCDC shall in~~

~~respect of such demolished Units contribute to the Common Expense Fund that amount which is reasonably necessary to prevent the Common Expense assessments against other Owners from increasing by reason of such demolition. In determining the amount which is reasonably necessary for the aforesaid purpose, the reduction in the aggregate Common Expenses resulting from such demolition shall be taken into account~~ Association. As soon as new Units are completed and placed in service, the Board of Directors shall compute the fair share of current Common Expenses attributable to those Units and assess the same to the Owners thereof.

B. Default in Payment of Assessments

Each assessment (including all monthly installments under Article ~~VI-A-4~~VI, Section A.1.) and each special assessment shall be separate, distinct and personal debts and obligations of the Owner against whom the same are assessed at the time the assessments are made and shall be collectible as such. The Board of Directors shall have the right to impose a reasonable late charge for nonpayment of Common Expense payments within 15 days of

the date such payments became due. Suit to recover a money judgment for unpaid Common Expenses shall be maintainable without foreclosing or waiving the lien securing the same. The amount of any assessment, whether regular or special, assessed to the Owner of any Condominium plus interest

at the highest legal rate permitted by Arizona law and costs, including reasonable attorneys' fees, shall become a lien upon such Condominium upon recordation of a notice of assessment by the Board of Directors. The said lien for nonpayment of Common Expenses shall have priority over all other liens and encumbrances, recorded or unrecorded, except only:

- a. ~~1.~~ Tax and special assessment liens on the Condominium in favor of any taxing authority, and
- b. ~~2.~~ All sums unpaid on a first Mortgage of record on the Condominium.

A certificate executed and acknowledged by a majority of the Board of Directors stating the indebtedness secured by the lien provided for under this Section B upon any Condominium shall be conclusive upon the Board of Directors and the Owners as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any Owner or any encumbrancer or perspective encumbrancer of a Condominium upon request at a reasonable fee, not to exceed ~~\$10250~~ \$10250. Unless the request for a certificate of indebtedness shall be complied with within ~~ten~~10 days, all unpaid Common Expenses which became due prior to the date of the making of such request shall be subordinate to the lien held by the person making the request. Any encumbrancer holding a lien on a Condominium may pay any unpaid Common Expenses payable with respect to such Condominium and upon such payment such encumbrancer shall have a lien on such Condominium for the amounts paid of the same rank as the lien of his encumbrance.

Upon payment or other satisfaction of a delinquent assessment concerning which such a certificate has been so recorded, the Board of Directors shall cause to be recorded in the same manner as the certificate of indebtedness a further certificate stating the satisfaction and the release of the lien thereof. Such lien for nonpayment of assessment may be enforced by sale by the Board of Directors or by a bank or trust company or title insurance company authorized by the Board of Directors, such sale to be conducted in accordance with the provisions of law applicable to the exercise of powers of sale or foreclosure in deeds of trust or mortgages or in any manner permitted by law. In any foreclosure or sale, the Owner shall be required to pay the costs and expenses of such proceedings and reasonable attorneys' fees.

In case of foreclosure, the Owner shall be required to pay a reasonable rental for the Condominium and the plaintiff in the foreclosure action shall be entitled to the appointment of a receiver to collect the rental without regard to the value of the mortgage security. The Board of Directors or the Manager acting on its behalf shall have the power to ~~buy in~~ purchase the Condominium at foreclosure or other sale and to hold, lease, mortgage and convey the Condominium.

VII. Meetings of the Association

The presence in person at any meeting of the Association of Owners holding 10% of the total voting power (as determined under Section 3(f) of the Declaration), in response to notice to all Owners of record properly given in accordance with Section 9 of the Declaration and Article V, Section A of these Bylaws, shall constitute a quorum. If the total number of Owners present do not hold at least 10% of the total voting power, the meeting shall be adjourned for 24 hours, at which time it shall reconvene and any number of Owners present at such subsequent meeting shall constitute a quorum. Unless otherwise expressly provided in the Declaration, any action may be taken at any meeting of the Association upon the affirmative vote of a majority of the voting power of the Owners present and voting provided that a quorum is present as provided for above. Notwithstanding anything herein to the contrary, if only one of the multiple Owners of a Unit is present at a meeting of the Association or otherwise votes on actions to be taken at a meeting of the Association, said Owner shall be entitled to cast all of the votes allocated to that Unit.

A. Annual Meeting

There shall be an annual meeting of the Association (the “Annual Meeting”) on the third or fourth Saturday of October of each year at 9:00 a.m. at Camelback Inn or at such other reasonable place or time (not fewer than 10 nor more than 50 days before such date) as may be designated by written notice of the Board of Directors delivered to the Owners not less than 15 days prior to the date fixed for said meeting. The failure of any Owner to receive actual notice of a meeting does not invalidate any action taken at that meeting. At or prior to such meeting, the Board of Directors shall furnish to the Owners a budget for the current fiscal year that shall itemize the estimated Common Expenses, itemizing receipts and disbursements, for the preceding fiscal year, together with the allocation thereof to each Owner.

B. Special Meeting

Special meetings of the Association may be called at any time for the purpose of considering matters that by the terms of the Declaration, require the approval of all or some of the Owners, or for any other reasonable purpose. Said meetings shall be called by written notice, authorized by a majority of the Board of Directors, or by the Owners holding 1/3 of the total voting power (as determined under Section 3(f) of the Declaration), such notice to be given by any usual means of communication to the Owners not less than 15 days prior to the date fixed for said meeting. Said notices shall specify the date, time and place for the meeting, and the matters to be considered thereat.

C. Content of Meeting Notices

Notices of any annual, regular or special meeting of the Owners shall also state the purpose for which the meeting is called, including the general nature of any proposed amendment to the Declaration or Bylaws, any changes in assessments that require approval of the Owners, and any proposal to remove a Director or Officer. The Secretary shall deliver an agenda for any meeting of the Association by hand delivery, mail, website posting, email or other electronic

means.

D. Open Meetings

All meetings of the Association, , or any committees of the Association are open to all Owners or any person designated by an Owner in writing as the Owner's representative and all Owners or their designated representative shall be allowed to attend and speak during the meeting. Meetings of the Association may be held electronically or by telephone, and speakers shall be used to allow all attendees, including designated representatives of Owners, to hear all parties who are speaking during the meeting.

E. Voting

Votes allocated to a Unit shall be cast in person or by absentee ballot.

VIII. Officers of the Association

The officers of the Association shall be a President, Vice President, Secretary, and Treasurer. The offices of Secretary and Treasurer may, by direction of the Board of Directors, be combined as one office. All officers must be Owners, while the President and Vice President must also be members of the Board of Directors. No officer shall receive compensation for serving as such. Officers shall be annually elected by, and may be removed and replaced by, the Board of Directors. The Board of Directors may in its discretion require that officers be subject to fidelity bond coverage.

XIV. ~~VII.~~ Abatement and Enjoinment of Violations by Unit Owners

The violation of any Rules or Regulations adopted by the Board of Directors or the breach of any ~~By-Law contained herein, or the breach of any~~ provision of these Bylaws or the Declaration, shall give the Board of Directors the right, in addition to any other rights set forth in these ~~By-Laws~~Bylaws:

1. ~~A. to~~To enter the Unit in which or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; or

2. ~~B. to~~To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

X. ~~VIII.~~ Manager

~~MCDC or any successor~~The Board of Directors may delegate any of its duties, powers or functions (including but not limited to the authority to give the certificate provided for in Article ~~VI-B~~VI B. hereof and the authority to give the subordination agreements provided for in Section ~~44~~10 of the Declaration) for such period of time and ~~pursuant to~~upon such terms and conditions as ~~either the Board~~ either the Board deems advisable to any person or firm designated to act as Manager ~~of the project.~~ Any such delegation which extends beyond the term of office of the delegator shall be binding upon successor Boards of Directors. Neither ~~MCDC nor the members of~~ the Board ~~of nor any of the~~ Directors serving thereon shall be liable for any omission or improper exercise by the Manager of any of such duties, powers or functions ~~so~~ delegated by written instrument executed by ~~MCDC or a majority of the Board of Directors, as the case may be.~~

XI. ~~IX.~~ Special Committees

The Board of Directors by resolution may designate one or more special committees, each committee to consist of two or more ~~Co-Owners~~Owners, which, to the extent provided in said resolution, shall have and may exercise the powers set forth in said resolution. Such Special Committee or Committees shall have such name or names as may be determined from time to time by the Board of Directors. Such Special Committees shall keep regular minutes of their proceedings and report the same to the Board of Directors when required. The members of such Special Committee or Committees designated shall be appointed by the Board of Directors. The Board of Directors may appoint Owners to fill vacancies on any of said Special Committees occasioned by death, resignation, removal or inability to act for any extended period of time.

XII. ~~X.~~ Rules and Regulations

The Board of Directors shall have the right to adopt and amend such Rules and Regulations as may be authorized by the Condominium Act and Declaration for the purpose of governing the details of the operation and use of the General Common Elements and setting forth restrictions on, and requirements respecting the use and maintenance of, Units and Limited Common Elements. Copies of the Rules and Regulations shall be furnished to each Owner prior to the time the same shall become effective.

XIII. ~~XI.~~ Audit

Any Owner may at any reasonable time at ~~his~~the Owner's own expense cause an audit or inspection to be made of the books of account of the Manager or Board of Directors pertaining to the Property. The Board of Directors, as a Common Expense, shall obtain

an annual certified audit
of the books of account pertaining to the Property and furnish copies thereof to the Owners.

XIV. ~~XII.~~ Terms

~~The terms~~All capitalized words and phrases used but not otherwise defined herein shall have the ~~same~~ meanings ~~as provided~~ascribed to them in the Declaration.

XV. ~~XIII.~~ Amendment of ~~By-Laws~~Bylaws

These ~~By-Laws~~Bylaws may be amended at a meeting of the ~~Council of Co-Owners~~Association by the affirmative vote of Owners holding at least ~~75~~67% of the total voting power (as determined under ~~Appendix B~~Section 3(f) of the Declaration), which amendment shall be effective upon recordation with the Recorder of Maricopa County, Arizona; provided, however, that any amendment which will alter or prohibit the operation of the Property as a resort hotel shall require the approval of all record Owners.

The President, ~~or~~ any other ~~Officer~~officer of the ~~Condominium~~ Association may execute and cause to be recorded amendments to the ~~By-Laws~~Bylaws.

XVI. ~~XIV.~~ Interpretation

The provisions of these ~~By-Laws~~Bylaws shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a condominium property. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

XVII. ~~XV.~~ Severability

The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity of unenforceability of any other provision hereof.

XVIII. ~~XVI.~~ Captions

The captions herein are inserted only as a matter of convenience and for reference and in no way to define, limit or describe the scope of these ~~By-Laws~~Bylaws nor the intent of any provision hereof.

XIX. ~~VII.~~ Effective Date

These ~~By-Laws~~Bylaws shall take effect upon recording of the Declaration of which they are a part.

XX. ~~XVIII.~~ Mailings and Notices

~~Notwithstanding anything set forth elsewhere in these By-Laws to the contrary,~~

~~electronic delivery, including electronic mail and other electronic communications, may be utilized by the Council of Co-Owners and its Board of Directors and Committees for the transmittal of Council documents, notices, proxies, mailings and other communications unless such forms are expressly prohibited by applicable law.~~

Whenever "written notice" or "notice" is required by these Bylaws, electronic delivery, including electronic mail and other electronic communications, shall constitute official, legally compliant notice by the Association and its Board of Directors, Officers and Committees for the transmittal of Association documents, notices, proxies, mailings and other communications. In furtherance of the foregoing, each Owner shall provide the Board of Directors with an email address designated for the transmittal of Association documents, notices, proxies, mailings, and other communications to said Owner as provided for herein. Notice will be deemed given when sent. Notwithstanding anything in these Bylaws to the contrary, US Mail may be used for written notice or notice required by these Bylaws, however, the use of electronic communication is preferred. In the event that any Owner either requests that notices be sent by US Mail or fails to provide the Board of Directors with a valid email address for such notices, then said Owner shall bear the cost of all mailing fees associated with each notice sent by US Mail.